

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA	:	CRIMINAL NO. 20-231
		CRIMINAL NO. 23-198-1
v.	:	CRIMINAL NO. 24-65-1
JOSEPH LAFORTE	:	

GOVERNMENT’S SENTENCING SUPPLEMENT

Pursuant to the Court’s Order dated March 18, 2025 (ECF No. 325), which granted the government leave to file a declaration of comparable criminal sentences in connection with the government’s sentencing memorandum for defendant Joseph LaForte (ECF No. 312), the government submits the following supplement in advance of the sentencing hearing scheduled for March 26, 2025.

As set forth in the government’s previous analysis of the relevant sentencing factors under 18 U.S.C. § 3553(a), the need to avoid sentencing disparities among similarly situated defendants weighs in favor of imposing the proposed 15 ½ year sentence. While this case presents an unusual combination of factors, in formulating the parties’ proposed “C plea” range the government considered the sentences imposed in this district and elsewhere in other financial fraud and public corruption cases including those involving large amounts of investor loss.

Comparable criminal cases within the Eastern District of Pennsylvania include the following:

- ***U.S. v. Charles Hallinan – Crim. No. 16-130***

Hallinan was convicted at trial of a RICO conspiracy and related offenses involving the extension of more than \$600 million in usurious payday loans. In 2018, he was sentenced to 14 years’ imprisonment, along with a \$2.5 million fine and \$64 million forfeiture money judgment in addition to the forfeiture of his house, bank accounts, and vehicles.

- ***U.S. v. Jeffrey Lyons* – Crim. No. 19-611**

Lyons pled guilty to bank and tax fraud related to falsifying records to fraudulently obtain a \$65 million business loan and failing to report \$1.4 million of income to the IRS. In 2020 he was sentenced to 14 years' imprisonment.

- ***U.S. v. Gary Frank* – Crim. No. 19-180**

Frank pled guilty to wire fraud, bankruptcy fraud, and money laundering related to a \$33.7 million fraudulent loan scheme. He was resentenced in 2019 to 15 years' imprisonment. (His original sentence was reduced due to the Third Circuit's decision in *United States v. Banks*, concerning intended versus actual fraud loss.)

- ***U.S. v. Wayne McKelvy* – Crim. No. 15-398**

McKelvy was convicted at trial of orchestrating a \$54 million Ponzi scheme involving securities and wire fraud. In 2021, he was sentenced to 18 years' imprisonment. (We note that a co-defendant, Troy Wragg, received a total sentence of 22 years for this scheme as well as an additional scheme he committed while on pretrial release.)

- ***U.S. v. Chaka Fattah Sr.* – Crim. No. 15-cr-346.**

Former congressman Fattah was convicted at trial of a RICO conspiracy and related offenses involving multiple corruption schemes and financial fraud. He was sentenced in 2016 to 10 years' imprisonment.

Comparable criminal cases outside the Eastern District of Pennsylvania include the following:

- ***U.S. v. Gina Champion-Cain* – S.D. Cal., Crim. No. 20-2115**

Champion-Cain pled guilty to a \$350 million Ponzi scheme and obstruction offenses related to a liquor license lending scam. Champion-Cain was sentenced in 2021 to 15 years' imprisonment.

- ***U.S. v. Johanna Garcia* – S.D. Fl., Crim. No. 23-20350**

Garcia pled guilty to a \$190 million Ponzi scheme involving false statements to over 15,000 merchant cash advance investors; after the initial fraud scheme was shut down by federal authorities, the defendant launched a new, similar Ponzi scheme. In 2024, she was sentenced to 20 years' imprisonment.

- ***U.S. v. Rodney Mesquias & Henry McInnis* – S.D. Tex., Crim. No. 18-008**

The defendants were convicted at trial of operating a \$150 million healthcare fraud scheme in which they falsely told thousands of patients with long-term illnesses that they would die soon and subsequently enrolled them in hospice programs. In 2020, they were sentenced to 20 and 15 years' imprisonment, respectively.

- ***U.S. v. Nevin Shapiro* – D.N.J., Crim. No. 10-471**

Shapiro pled guilty to a \$930 million Ponzi scheme involving his wholesale grocery business. In 2011, he was sentenced to 20 years' imprisonment. (Note – this sentence was commuted in 2024.)

- ***U.S. v. Davit Mirzoyan* – S.D.N.Y., Crim. No. 10-895**

Mirzoyan pled guilty to leading a \$100 million Medicare racketeering fraud scheme. He was sentenced in 2013 to 17 ½ years' imprisonment.

- ***U.S. v. Elizabeth Holmes & Ramesh Balwani* – N.D. Cal., Crim. No. 18-258**

Holmes and Balwani were convicted at trial of defrauding investors of Theranos of over \$400 million. In 2022, they were sentenced 135 months' (11 ¼ years') and 155 months' (~13 years') imprisonment, respectively.

- ***U.S. v. Samuel Bankman-Fried* – S.D.N.Y., Crim. No. 22-673**

Bankman-Fried was convicted at trial of orchestrating “one of the largest financial frauds in history,” stealing billions of dollars from investors in his cryptocurrency exchange platform and using that money to fund his lavish lifestyle and to make political donations. In 2024, he was sentenced to 25 years' imprisonment along with an \$11 billion forfeiture judgment.

As set forth in detail in the government's sentencing memorandum, all of the appropriate considerations of sentencing favor the imposition of a sentence of 15 ½ years' imprisonment, which is the top of the parties' proposed sentencing range. This sentence will serve the important

goal of bringing justice and finality to LaForte's many and varied victims, and it is sufficient but not greater than necessary to achieve the other goals of the Sentencing Act.

Respectfully submitted,

DAVID METCALF
United States Attorney

/s Matthew T. Newcomer
MATTHEW T. NEWCOMER
SAMUEL S. DALKE
ERIC D. GILL
Assistant United States Attorneys

CERTIFICATE OF SERVICE

I certify that a copy of the Government's Sentencing Supplement was served by email on the defense counsel listed below:

Joseph Corozzo, Esq.
Counsel for Defendant Joseph LaForte

/s Matthew T. Newcomer
Matthew T. Newcomer
Assistant United States Attorney

Date: March 24, 2025